

Procedure Document

System of notification of potential legal and judicial infringements, as well as breaches of internal company directives (known colloquially as "whistleblowing") at PFARR Stanztechnik GmbH (PFARR)

1. Purpose and objectives

This Procedure Document provides guidance on the communication of potential legal and judicial infringements as well as breaches of internal company directives of PFARR and indeed any ethical norms. Such corporate infringements by employees of the company or indeed by third parties will not be tolerated by PFARR.

This is to ensure that the aims and objectives and the personal protection aspects of the so-called "whistleblower's charter" are met completely. Moreover, this procedure document is intended to enable appropriate means for the communication of information pertaining to adherence to the supply chain legislation and to associated norms and standards.

2. Personal applicability to whistleblowers

a) The whistleblower's charter is intended to provide individuals who, in their daily work become aware of potential infringements and wish to communicate these to the appropriate persons or nominated agency, with the necessary associated protections.

b) The whistleblower's charter is available to all individuals currently or previously associated professionally with PFARR { such as employees, former employees, contract employees, applicants, suppliers and customers } who may have cause to communicate potential infringements.

3. Formal applicability

a) The Whistleblower's Charter

Any infringement in line with Section 2 of the recent law subject to legal consequence or fines may be communicated. Infringements are defined as activities or ignored obvious procedures occurring in the fulfillment of a commercial activity which are against the law and/or are covered by the applicability defined by Section 2 of the law. These might include:

- Human rights
- Legal infringements such as theft, falsification, corruption, bribery
- Data protection and IT concerns
- Legally-binding communication of invoicing and financial dealings
- Environmental infringements or other legal requirements pertaining to the commercial activities of this company

b) Suppliers' legal responsibilities

Infringements against the supply chain duty-of-care law can also be communicated via the appropriate channels provided under Section 4 of the Procedure Document. It is expressly noted that PFARR does not currently fall within the applicability of the law pertaining to suppliers' legal responsibilities, but adheres voluntarily to its requirements on the basis of ethics and responsibility, and is committed to investigate any substantiated potential legal infringement where the company is able from a practical and legal standpoint so to do.

c) Laws and guidelines on data protection

Whistleblowers can also use the same appropriate channels to communicate data protection infringements. In parallel and recommended in the first instance is direct contact to the regional data protection agency (Gesellschaft für Datenschutz Mittelhessen, Auf der Appeling 8, 35043 Marburg) and via email: info@gdsm.de.

d) General complaints

General complaints which do not fall under the auspices of the whistleblower's charter or supply chain duty-of-care legislation can be communicated via the usual channels, contact partners and contacts given on the PFARR website; but please not through the dedicated official channels given in Section 4.

4. Contact channels for the communication of evidence

Whistleblowers have a choice of channels for the communication of evidence. PFARR has inter alia set up a web communication channel - The Federal Gazette (Bundesanzeiger) which is an official promulgation and announcement organ of the Federal Republic of Germany . Additionally an ombudsman's office has been established for the communication of reports falling within and without the reporting channel.

Although there is no official requirement to act on anonymous tip-offs, PFARR has committed to accept them. Anonymous tip-offs can be communicated via any of the channels outlined. It should, however, be noted that anonymous tip-offs can impede the investigation and prosecution of any potential legal infringement.

The ombudsman is duty bound to maintain absolute secrecy regarding any communicated information. If whistleblowers communicate directly with the ombudsman they may elect to instruct him to keep their report anonymous with respect to PFARR. Whistleblowers can also remain anonymous from the ombudsman.

Information communicated to the ombudsman without anonymity may, with agreement, be communicated to / handled by the following persons:

- internal expert at PFARR (Personnel Department) or
- the ombudsman her/himself or
- jointly by an internal expert working with the ombudsman

In addition to the internal, direct channels, the following routes are available to the whistleblower:

a) The Federal Gazette digital platform:

<https://pfarr.hinweisgeberportal.de/>

b) The Federal Gazette Telephone Hotline:

(Monday – Friday 8:00-18:30): [+49 \(0\)800-1234-205](tel:+4908001234205)

c) Via email to the Federal Gazette:

hinweisgeberportal@bundesanzeiger.de

d) By post to the Federal Gazette:

Hinweisgeberdienst c/o Bundesanzeiger Verlag GmbH
Amsterdamer Str. 192
50735 Köln / Cologne

e) External ombudsman:

Rechtsanwalt & Notar Alexander Schade
Rechtsanwaltskanzlei Scheurmann, Schraad & Partner
Dudenstraße 14
36251 Bad Hersfeld
Tel.: +49 (0)6621 / 5078-24
E-Mail: schade@scheurmann-schraad.de

Alternatively to the channels detailed, respondents can contact other responsible authorities such as the Information Office of the Federal Ministry of Justice. (Bundesamt für Justiz).

5. Procedure for the investigation of evidence and notifications

a) Confirmation of receipt

Whistleblowers will be advised of the receipt of any notification within seven days via the same communication channel chosen by the whistleblower. Anonymous communications can obviously not be confirmed, releasing PFARR from any responsibility for confirmation of receipt.

b) Document confidentiality

Reports via the channels listed at 4. a) – d) are directed to an internal adjudicator at PFARR (Personnel Department) and documented. The ombudsman also has access to the report. Reports directed to the ombudsman as per 4. e) are forwarded to the PFARR internal adjudicator (Personnel Department), insofar as no alternative instruction has been given to the ombudsman. (See Section 6 below).

All those receiving information, be they employees of the Federal Gazette, case managers at PFARR employed in the Personnel Department, or the ombudsman, are committed to confidentiality regarding

- the communicant
- persons who are the subject of the report
- anyone else mentioned in the report

At the same time, it is important for whistleblowers to understand that there can be no absolute guarantee of confidentiality. Information pertaining to the identity of whistleblowers and others mentioned in the report might in exceptional circumstances be communicated to the responsible authorities in the case of criminal proceedings.

c) Investigation of reports and communication

Persons tasked with analysis of the reports investigate whether any infringement falling under the applicability of the terms mentioned in Section 2 of the procedure document has occurred. In parallel, the whistleblower will be contacted insofar as this is possible to examine the validity of the accusation; with further information potentially requested. Further measures may be undertaken to verify the claim.

Such further measures might include

- carrying out internal investigations, contacting the persons and teams concerned.
- referring the whistleblower to other responsible parties.
- closing the case due to the absence of reliable evidence or for other reasons
- transfer of the case file to another responsible authority for further investigation

d) Special information surrounding the loss of the PIN code from the digital platform of the Federal Gazette

Where cases are communicated to the Federal Gazette online, a case reference ID and an associated PIN code will be allocated. This data enables the case to be viewed at any time, the case manager to be contacted (anonymously if required) and the file viewed with reference to questions for the case manager. If the PIN code is lost, the report cannot be restarted using the existing case reference ID. In such cases the report has to be re-submitted in order to be able to fully use the digital platform.

e) Results

If PFARR identifies that an infringement of any law or operating procedure, as per Section 2, has occurred, depending on the particulars of the specific case, corrective or preventative actions and other steps will be taken. Again, depending on the details of the specific case, in particular allowing for a reasonable margin of discretion and proportionality. This means any follow-up action must be expedient, appropriate and necessary.

If the reported information does not substantiate the actual infringement of any law, company policy operating procedure or ethical standard, PFARR will close the case. The same applies to a situation where an infringement is noted, which does not actually concern PFARR.

f) Information for whistleblowers

Informants will receive a response following confirmation of the receipt of the notice within a period of three months detailing follow-up planned or already implemented. No information will, however, be forthcoming where internal investigations or external research or the rights of the individual concerned in the allegation would be infringed. Again, no information will be shared where contact is not possible due to the chosen communication channel.

6. Protection of whistleblowers

Informants acting in good faith are protected extensively by law, and have no repercussions to fear. They are also protected by PFARR and will not suffer any negative employment consequences as a result of their actions, provided PFARR is acting within the associated legal framework. In particular, reports must not constitute a deliberate falsehood or be founded on gross negligence. In such cases whistleblowers themselves can be subject to prosecution or required to make compensation, where others suffer damage, whether material or intangible. Employees may also be subject to employment consequences.

It is therefore strongly recommended and requested that the whistleblowing procedure be used fully and uncompromisingly; provided reports are always based on reasonable evidence and given in good faith.

7. Revisions

| Rev. | Date | Amendment |
|------|------------|--------------|
| 0 | 29.10.2023 | First issued |